will take everyone through basic link. 1 We will also try to identify systems that 2 could be used for other services than the basic link, 3 1MB and consumer, that have been addressed. So we will 4 try our best to provide that information -- the 5 6 services, the systems. 1 As far as requests for additional services, 7 such as the one from the gentleman from COVAD, we will not be able to do that by Thursday. 9 We will provide those in the future as they 10 are specifically requested. Possibly they could be part 11 12 of the in-depth workshops, or whatever, as required. 13 Capacities will be provided, unless something 14 happens that we can't get certain ones. 15 But we will make our best attempt to provide 16 the capacities. 17 We will also do block diagrams to the extent 18 time will allow between now and Thursday on the other 19 items besides billing. 20 We will work through the complex, noncomplex 21 requests that we had received and we will describe 22 those items. 23 And we will also discuss the CARE records, 24 how they're processed, and as many of the other 25 questions within the transcript as time will permit, 26 and anything that we will not be able to, then 27 we certainly will be willing to, during the workshops,

address, or in any other way that is proposed.

28

1 MS. JONES: Is there any uncertainty in anyone's mind here as to what you might be seeing next Thursday, 2 3 or anything you want to ask Pacific as to whether it would be part of the Thursday filing or not? 4 5 John? MR. GUTIERREZ: I understood -- of what Pacific 7 said, I understand that they may not be able to meet the long list. 8 I am a little unclear as to whether or not 9 they specifically said we can't do that for Thursday but 10 we can do it in a week or two weeks. 11 12 My concern is we'll have workshops scheduled 13 for the 25th or the 26th -- no? 14 MS. JONES: That's been changed to a prehearing 15 conference. MR. GUTIERREZ: Right. But the 26th --16 MS. JONES: No, that day was set for depositions. 17 18 It's not a workshop. 19 MR. GUTIERREZ: I stand corrected. 20 Well, even more to the point, if we don't know 21 when the information is coming we don't know how to plan 22 different strategies about how to continue. 23 I mean if they say we are not going to have it 24 for a month we're all kind of sitting here, especially 25 understanding that many of the issues that I am focusing 26 on here are on the unbundled side. 27 So it would be helpful if Pacific can tell us 28

when they will have that information.

I don't know that they can -- it would be --1 2 MS. JONES: Do you think you could include some sort of timeline, Pacific? 3 Let's go off the record. 4 (Off the record) 5 MS. JONES: We'll go back on the record. 6 7 MR. KOLTO-WININGER: What we will commit to do is we will provide whatever information we were able to 8 9 provide prior to the filing on Thursday, and for 10 whatever other type of information we will set certain 11 target dates on when we believe certain information can 12 be provided, and if any parties are -- have any -- take 13 any issue with either the schedule or with the type of 14 information that's being provided, they can bring it to 15 our attention and try to resolve it informally. . 16 MS. JONES: Glenn? 17 MR. HARRIS: What I was going to suggest is at the 18 prehearing conference on the 25th, if there is 19 information with regard to that information that you 20 intend to provide in the future, if you can provide some 21 kind of written commitment and target date, at least 22 that way we can review what you intend to use versus 23 that which you don't intend to use. 24 MR. KOLTO-WININGER: I believe that's what I said. 25 MS. HOWARD: Yes, we're doing that on the 20th. 26 MR. HARRIS: But actually produce that in writing. 27 MR. KOLTO-WININGER: That's part of our filing. 28

MS. JONES: Eric?

1 MR. ARTMAN: That's the one point that I think 2 needs to be made very clear. If there's something that the incumbents do 3 not intend to produce, we need to see that in the filing next Thursday so then it can be addressed at the 5 prehearing conference. 6 MR. KOLTO-WININGER: That's why we will provide a 7 list of target dates of the information that we intend 8 9 to provide, and if parties take issue with either the dates or what we are providing, they can bring that to 10 our attention. 11 12 MR. ARTMAN: Will you specifically identify those 13 items which have today been requested for which you do 14 not intend to provide information? 15 MR. GALLIGAN: Yes. 16 MR. ARTMAN: GTE as well? 17 I think we'll get to GTE now. MS. JONES: Are we finished with Pacific? 18 19 MS. HOWARD: Everybody's fine with that. 20 MS. JONES: And, GTE, you feel you have a good 21 understanding of what is expected on the 20th? 22 MR. RASMUSSEN: I believe we do. 23 It will be helpful when we get a copy of the 24 transcript so that we can reread the questions verbatim. But I think so, yes. 25 MS. JONES: Any other questions, issues? 26 27 Going, going, gone -- oh, John? 28 MR. GUTIERREZ: Sorry.

When is the transcript going to be available? Do we have any indication from the reporters? MS. JONES: We are adjourned. Off the record. (Whereupon, at the hour of 2:50 p.m., the Workshop was adjourned.) 

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William A. Ettinger Senior Attorney

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April 18, 1997

ALJ Glen Walker California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

> C.96-12-026, C.96-12-044, C.97-02-021 Re:

Dear Judge Walker:

Pursuant to your Ruling of February 26, 1997 in the above-referenced consolidated matters, enclosed is the direct testimony of Mary Ann Collier and Stephen Huels.

Very truly yours,

William A. Ettinger

cc: Commissioner Knight

All Parties

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

MCI Telecommunications Corporation (U 5011 C),  Complainant, v.	) ) ) Case No. 96-12-026
Pacific Bell (U 1001 C),	) )
Defendant.	) ) )
AT&T Communications of California, Inc. (U 5002 C),	) ) )
Complainant, v.	Case No. 96-12-044
Pacific Bell (U 1001 C),	-
Defendant.	· ) }
New Telco, L.P., d/b/a Sprint Telecommunications Venture (U 5552 C) and Sprint Communications Company L.P. (U 5122 C),	<pre>} } } }</pre>
Complainants, v.	Case No. 97-02-021
Pacific Bell (U 1001 C),	)
Defendant.	)

### **TESTIMONY OF MARY ANN COLLIER**

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# 1 TESTIMONY OF MARY ANN COLLIER

Α.

Q. Please state your name, business address, occupation, work
 experience, and education.

My name is Mary Ann Collier. I am currently a Director in AT&T's Local Infrastructure and Access Management (LIAM) organization. My office is located at 4480 Willow Road, Pleasanton, California. In my capacity, I am responsible for the access costs that AT&T incurs from the various local exchange companies (LECs) in California, Nevada, and Hawaii. In addition, I have operational responsibilities for AT&T's entry into local service in the three states named above.

Prior to joining AT&T in 1979, I was an instructor of mathematics at Franklin College in Franklin, Indiana. In addition to my responsibilities in the classroom, I wrote and administered Franklin College's Affirmative Action and Title 9 programs.

Since joining AT&T in 1979, I have held positions in Operations and in Engineering, where I have been responsible for the planning and deployment of fiber optics and 4ESS switches and the building of new infrastructure and facilities. Also, I have been responsible for the operation of these assets once they were deployed. I assumed my current position in April, 1996.

1 I hold a BA in Mathematics (1971) from Lindenwood College in
2 St. Charles, Missouri, and an MS in Mathematics (1974) from Indiana
3 University. I also hold an MBA (1979) from the University of Notre
4 Dame and, while there, spent 6 months at the London School of
5 Economics.

### 6 Q. What is the purpose of your testimony?

Α.

The purpose of my testimony is to address Pacific Bell's (Pacific's) lack of preparation for AT&T's and other competitive local carriers' (CLCs') entry into the local market. It can be seen from my testimony that Pacific did not prepare to allow the CLCs to enter the market with a product of equal quality to Pacific's and with volumes of any significance. Their processes, systems, staffing, and workflow processes are woefully inadequate to meet AT&T's needs. In fact, the depositions that have been taken of various Pacific managers in the last month, show there is no date in the foreseeable future by which Pacific will have an unconstrained system, and the backlog will continue to grow until at least October, 1997 if not later. Pacific has no current estimate as to when, after October, 1997, it will be able to clear up the backlog of orders from CLCs.

Q. What time intervals has Pacific committed to in regard to handling migration orders (<u>i.e.</u> orders to transfer local customers from Pacific to a CLC) and new orders?

1	A.	For all time periods discussed in my testimony, Facilic has
2		committed to the following time intervals following receipt of a
3		migration or new order from a CLC:
4		- Pacific will issue a Firm Order Confirmation (FOC) (or a
5		reject if the CLC order is incorrect) within 4 hours following
6		receipt;
7		- Pacific will migrate existing customers within 3 business
8		days following issuance of the FOC or turn-up service to a
9		new customer with 3-5 business days following issuance
10		of a FOC (longer intervals may apply in cases of complex
11		20 plus line business orders);
12		- Pacific will issue a notice of completion to the CLC within
13		24 hours of migration or turn-up of service.
14	Q.	When did you first become aware of problems caused by Pacific's
15		lack of adequate preparation for handling local market competition?
16	A.	On Monday, October 21, 1996, I was asked to join a meeting at
17	-	Pacific's headquarters to discuss FOCs and order rejects. It had come
18		to AT&T's attention that in our trial which we were running with our
19		own employees, we were not getting FOCs back in a timely manner
20		from Pacific, and at that moment in time, most of the AT&T orders
21		were not having FOCs returned within 24 hours, and completion
22		notification was not provided within 24 hours. A backlog of AT&T

orders had developed. At that time I had no knowledge of how big the problem would become nor the cause of the problem.

Pacific stated at this meeting that if an order was current, it would take about 35 minutes for it to flow through and process and for AT&T to then get back a FOC. If an order had errors, it would take 60 - 90 minutes. Since this was well within our agreed-upon 4-hour FOC or reject intervals, we did not understand how there could be a backlog.

The three concerns I walked away from this meeting with were:

The realization that Pacific did not have at that time an automated system. What we learned was that our automatic feed to Pacific, known as the network data mover (NDM), was terminating in a printer, and our orders were literally falling on the floor. It would not be until November when our automatic feed would terminate on Pacific monitors, rather than in a printer. Unfortunately, the present system did/does not connect with the rest of the Pacific systems, and a retyping of the order had/has to occur. I believed, though, from what was explained and what I understood, that everything would be automated by the May, 1997, time frame and that nonautomation should not be a concern of ours, and that Pacific had the manpower to keep up with our forecasted demand.

- 1 (2) The realization that to process a migration order, Pacific
  2 would have to submit the entry into two of their systems:
  3 Customer Record Information System (CRIS) and Carrier
  4 Access Billing System (CABS). At that time, I did not realize
  5 the full significance of that, but I did know that two separate
  6 and manual system entries would cause AT&T provisioning
  7 problems.
  - (3) The realization that Pacific had no tracking system for the AT&T orders and, in fact, at this meeting told us that there was no backlog. However, they admitted they did not have any efficient means to identify or track the orders received by Pacific's center. Thus, when an order was sent over the electronic interface, it could not be tracked until it was completed. The order tracking system was to be completed in the early November time frame.

#### 16 Q. What occurred next?

A. AT&T received the attached letter dated October 22, 1996 from Pacific (marked as Attachment 1) assuring us that we would be receiving FOCs within the agreed-upon 4-hour interval by the 15<sup>th</sup> of November. Pacific was then estimating the current interval to be between 48 and 72 hours, and they indicated that increased resources would be coming in November, mechanization would be implemented

over a period of time, and we would see improved service order flows soon. Pacific's letter stated that at that time its Local Interconnection Service Center (LISC), where all CLC orders are handled, was inadequately staffed and was utilizing fully manual order processing.

Q.

We next received a letter dated October 24, 1996, (marked as attachment 2) that addressed our concerns about mechanization. Until on-line tracking, which was scheduled to be implemented on the 5<sup>th</sup> of November, AT&T orders would continue to be processed by the Pacific system without any apparent controls.

Further, the resale mechanized interface (RMI), which establishes a link between our feeds and their Carrier Enhanced System for Access Requests (CESAR) data base, would be established on the 26<sup>th</sup> of November. However, the orders would still need to be manually reentered into Pacific's downstream ordering systems. Finally, Pacific's ability to view AT&T's orders on line would not be completed until the 17<sup>th</sup> of December.

During the last quarter of 1996, did AT&T become aware of any other problems with Pacific's migration of customers?

Yes, the first problem I became aware of at that time concerned service outages. On November 8, AT&T experienced its first business customer service outage. A business customer was disconnected at the

beginning of the day, and service was not re-established until 5:45 p.m. that evening. What we found in this situation were the following facts:

The outage was reported to Pacific in the morning. AT&T escalated its concern within the Pacific hierarchy, yet the customer was still out of service at 2:30 p.m. I became involved and immediately called Pacific and asked for help. I was told that the customer was in queue to be restored to service because its original facilities had been disconnected and reassigned to another customer, and there was also some other central office work to be done.

In working to find the root cause of why the customer was taken out of service, I found that a disassociation of the disconnect (D) and change (C) orders had occurred between Pacific's CRIS and CABS systems, respectively. Let me explain. When a CLC issues an order for a customer to be migrated from Pacific to a CLC, Pacific must issue two orders to make this happen. One order (the D order) disconnects enduser service and billing in CRIS, and the other order (the C order) begins service and billing to the CLC in CABS. This is a flawed process, because there are not adequate controls to keep the two orders linked. At the time there were no checks in the Pacific system design that would direct a person to look for an associated order. One of the problems that occurs when CRIS is disconnected is that the CRIS D

order not only works its way through the billing process but through the facilities assignment process so that equipment may be re-assigned

Three days later, on November 11<sup>th</sup>, AT&T's second business customer outage occurred. This outage involved 4 business lines. The customer's migration to AT&T was scheduled for November 11.

Without warning to the customer, Pacific disconnected service to all lines with no reconnect to AT&T service. (Again, the D and C orders had become disassociated.) I became immediately involved in this situation around 11:00 a.m. and was told that the estimated time of service restoral would be 1:00 p.m. Restoral of service occurred at 3:15 p.m. This customer was finally migrated to AT&T in total.

On November 9, AT&T experienced what was the beginning of our third business outage. The customer had 8 business lines. The customer experienced a series of problems between November 9 and 13 concerning non-functioning hunt groups. (The "hunting" feature allows a call to a busy number to be automatically redirected to a customer's available number in a predesigned sequence.)

The next AT&T business trouble occurred on November 23 an service was not reestablished until November 24.

On November 22, AT&T took its fifth business outage. This customer had 20 business lines. Service was restored at 2:33 p.m. that day. On Monday, the 25<sup>th</sup>, the customer reported another out-of-service

condition, and within five minutes of AT&T's reporting this out-of-service condition, the customer experienced a total service outage, resulting in the loss of all 20 business lines. At 4:45 p.m. the customer was totally restored to service. This was another example of Pacific's disassociation process.

Q.

Α.

The reason that these five business outages are highlighted and dwelt upon was that it was early in AT&T's market debut, and these five outages represented 7% of AT&T's business customers that had been migrated. Not a good way to start in the market.

What other problem did you become aware of during the 4th quarter of 1996?

Despite the prior assurances we had received from Pacific concerning their commitment that the backlog would be reduced and that manpower was not a concern, the number of orders for which FOCs were not issued within 4 hours, service was not provided with 3 - 5 days, and completion notifications were not issued within 24 hours all continued to grow.

I communicated my concerns to Pacific, and in response I received a letter dated December 4 (marked as Attachment 3) that indicated that the Pacific LISC was able to handle approximately 400 orders per day for the industry, but that with the completion of additional mechanization efforts, it would be able to move to only 2,000 orders per day by the end of January, 1997. (Pacific has yet to meet

this level of activity.) I have later learned that even had Pacific been able to meet that level, it would still be short of its own projections of CLC demand for February and March, 1997.

A.

I expressed my concerns to Pacific concerning the limited capacity in the LISC via almost daily calls I had during December, 1996 with various Pacific managers. My anxiety was heightened because Pacific told me that the LISC was working evenings, weekends and even over the entire Thanksgiving holiday, yet, over time, the backlog was not being reduced but continued to grow.

Q. Was there any other problem you became aware of during the 4th quarter of 1996?

Yes, the third problem I became aware of concerned the correct and timely listing of migrated customers in the 411 information data base.

On November 25, AT&T began to received reports that already-migrated customers were no longer in the Pacific 411 information data base. AT&T and Pacific created a discrepancy identification and correction task force and continued to seek the root cause for this problem. AT&T's representatives learned that when migrating an existing customer or establishing service for a new customer, listing information for those customer had to be separately and manually entered into yet another set of Pacific systems. We found that this

problem was due to the disassociation of the D and C orders I previously discussed. A disassociated D order in the CRIS system will automatically purge the listing information in the 411 data base. If the requisite information is not manually reentered in a timely way, or if it is entered incorrectly, the customer listing in the 411 data base will either be eliminated or will be incorrect.

Α.

Q.

You discussed three problems that AT&T was having with Pacific's handling of migration and new customer orders during the last quarter of 1996, specifically, customer disconnections, lack of capacity in the LISC resulting in a backlog of orders, and problems with accurate and timely entries to the 411 data base. Have any of these problems been satisfactorily resolved in 1997?

No, and additional problems have arisen. Let me first address the previously existing problems.

Regarding customer disconnects the problem continued throughout the first quarter of 1997. For example, from December 6, 1996 through March 31, 1997 30 of AT&T's residential customers experienced an out of service condition during migration. Disconnects have occurred prior to and up to five days after completion of their migration order.

We estimate that one out of every 250 residential customers migrating to AT&T in this period experienced an out of service

condition. This is an unacceptable quality of service for consumers and,

l believe, not at parity with the service Pacific provides its own retail

customers.

Q.

Throughout this period we continued to express our concern to Pacific. They attempted to resolve the problem by inserting a field identifier (FID) on both the D and C orders to prevent the disassociation from occurring. However, because the FIDs must be entered manually, if a Pacific service representative either fails to do so or makes a typographical error, the disassociation will still occur.

What happened regarding the LISC capacity problem during the 1st quarter of 1997?

A. Pacific made promises of additional capacity but then failed to deliver on either its new commitment or its previous commitment. Let me explain.

In late December, 1996 I received a copy of a letter sent by

Pacific to the Chairman of the FCC (attached and marked as Attachment

4) stating that Pacific would be able to handle 2,000 orders per day by

year end and 4,000 per day by the end of January, 1997.

On January 15, 1997 I received a letter (attached and marked as Attachment 5) from Mr. Jerry Sinn, Pacific's Vice President

Customer Service - Industry Markets Group. This letter was dated

December 17, 1997 but the postage meter date was January 2, 1997

and it was not received until January 15, 1997. Further, it was interesting that this letter was virtually identical to an undated letter signed by Mr. Sinn (attached and marked as Attachment 6) which was hand delivered to my office on December 17. These two letters were identical in all respects but one: the letter received on December 17 stated that Pacific would be able to process 2,000 orders per day by the end of January, and the letter received January 15, but dated December 17 referred to 4,000 orders per day.

At no time whatsoever during any of AT&T's discussions with Mr. Sinn and his team had Pacific indicated that they were anywhere near 4,000 orders per day. I sought clarification from Mr. Sinn and asked that he also involve Mr. John Stankey, since Mr. Stankey had taken over responsibility for the LISC from Mr. Sinn in mid-January of 1997. I have yet to hear back from Mr. Sinn or Mr. Stankey formally in writing about this mix-up in numbers.

In any event, Pacific achieved neither 4,000 per day, nor even 2,000 orders per day by the end of January, 1997. At that time AT&T's total backlog had grown to 3,234 orders.

Because of this situation, in early February, 1997 I informed Pacific that AT&T could not conduct its business properly without knowing what Pacific's capacity was and would be to handle orders. I also informed Pacific that we were being forced to continually reduce our orders because

of Pacific's inability to process them, that AT&T needed to make our marketing plans based on some long-term assurances, and that AT&T was expecting Pacific to process some significantly higher numbers of orders.

On February 5, I received a letter from John Stankey in regard to Pacific's ability to process AT&T's orders through the week of May 12. (This letter is not attached because it contains proprietary information.) The differences between what Pacific could process for us per day and what our volume indicated was significant. AT&T once again had to reduce its forecast from what we actually could sell.

Reductions in marketing efforts were again required at this time.

Also, we began to discuss internally whether we should stop taking orders all together.

On February 21, the backlog of AT&T orders increased to a new high (4,508), and I so informed Pacific and reiterated AT&T's concern about the backlog. It did not appear to me at that time that Pacific was processing the number of orders per day plus the backlog numbers each weekend that it would take AT&T to an acceptable level.

On that same day in an article in the <u>San Francisco Chronicle</u>

(attached and market as Attachment 7), Pacific claimed it was processing up to 2,000 orders per day. I believe that claim was totally misleading.

Further, in that same article, Pacific's Vice President for Local Competition,

Mr. Lee Bauman, was quoted as saying "we are committed to getting to a point where capacity isn't a question."

On April 10, 1997 Mr. Stankey wrote to AT&T (the letter is attached and marked as Attachment 8) setting forth Pacific's estimate of the LISC capacity for the industry for the rest of 1997 and into early 1998. Pacific now estimates it won't be able to handle 2,000 orders per day until the end of June, 1997 and won't be able to handle 4,000 orders per day until the end of September, 1997.

These capacity estimates are not enough to meet even AT&T's needs, let alone the needs of the entire CLC industry. Thus, despite Mr. Bauman's assurance to the press that Pacific will get to "a point where capacity isn't a question" — the capacity question remains and will continue into at least 1998, a totally unacceptable situation.

Q. Will you please update us on the 411 problem during the 1st quarter of 1997?

A. 411 directory assistance problems continued throughout the first quarter. Let me give one example.

On January 2, AT&T received yet another trouble report from a business customer. The customer's problem was that it was not listed in directory assistance, and it was concerned about the amount of business calls it was losing. Its order had been completed on December 12, and it had only found out recently that it was not listed in Pacific's directory

assistance. Mr. Sinn agreed to work this order over the weekend so that the customer would be listed in the directory. Because of the process within Pacific, this would not be automated into the systems until January 6. When the number finally was listed in the automated system on January 6, it was the customer's fax number, not its voice number. It took an additional few hours that day for the customer's correct telephone number to be listed.

To the best of my knowledge Pacific had not solved the 411 problem

To the best of my knowledge Pacific had not solved the 411 problem by the end of March, 1997. A system upgrade put in by Pacific on March 31, 1997 was designed to alleviate this problem, however the system upgrade encountered several problems and as of today it is not certain that Pacific has solved this problem. As of this writing, our experience is that, if anything, the 411 problem has gotten worse.

You mentioned earlier that several new problems arose during the 1st quarter of 1997. Please explain what those problems were.

## 16 A. Four new problems arose:

Q.

- Completion notices were sent by Pacific that were missing features that were ordered or included features that had not been ordered;
- Pacific sent AT&T customer service records (CSRs) for customers of other CLCs and vice versa;